

SECOND REGULAR SESSION

HOUSE BILL NO. 930

92ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BIVINS (Sponsor), COOPER (155), STEFANICK,
SANDER AND ICET (Co-sponsors).

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STEPHEN S. DAVIS, Chief Clerk

3196L.011

AN ACT

To repeal section 163.031, RSMo, and to enact in lieu thereof one new section relating to state aid for public schools, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 163.031, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 163.031, to read as follows:

163.031. 1. School districts which meet the requirements of section 163.021 shall be entitled to an amount computed as follows: an amount determined by multiplying the number of eligible pupils by the lesser of the district's equalized operating levy for school purposes as defined in section 163.011 or two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor plus an amount determined by multiplying the number of eligible pupils by the greater of zero or the district's equalized operating levy for school purposes as defined in section 163.011 minus two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor. For the purposes of this section, the proration factor shall be equal to the sum of the total appropriation for distribution under subsections 1 and 2 of this section; and the state total of the deductions as calculated in subsection 2 of this section which do not exceed the district entitlements as adjusted by the same proration factor; divided by the amount of the state total of district entitlements before proration as calculated pursuant to this subsection; provided that, if the proration factor so calculated is greater than one, the proration factor for line 1(b) shall be the greater of one or the proration factor for line 1(a) minus five hundredths, and provided that if the proration factor so calculated is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor for line 1(b) plus five hundredths.

19 2. From the district entitlement for each district there shall be deducted the following
20 amounts: an amount determined by multiplying the district equalized assessed valuation by the
21 district's equalized operating levy for school purposes times the district income factor plus ninety
22 percent of any payment received the current year of protested taxes due in prior years no earlier
23 than the 1997 tax year minus the amount of any protested taxes due in the current year and for
24 which notice of protest was received during the current year; one hundred percent of the amount
25 received the previous year for school purposes from intangible taxes, fines, forfeitures and
26 escheats, payments in lieu of taxes and receipts from state assessed railroad and utility tax,
27 except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as
28 defined by the department of natural resources rule shall not be included; one hundred percent
29 of the amounts received the previous year for school purposes from federal properties pursuant
30 to sections 12.070 and 12.080, RSMo; federal impact aid received the previous year for school
31 purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the
32 maximum percentage allowed by federal regulation if that percentage is less than ninety; fifty
33 percent, or the percentage otherwise provided in section 163.087 of Proposition C revenues
34 received the previous year for school purposes from the school district trust fund pursuant to
35 section 163.087; one hundred percent of the amount received the previous year for school
36 purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent
37 of the amount received the previous year for school purposes from the free textbook fund,
38 pursuant to section 148.360, RSMo.

39 3. School districts which meet the requirements of section 163.021 shall receive
40 categorical add-on revenue as provided in this subsection. There shall be individual proration
41 factors for each categorical entitlement provided for in this subsection, and each proration factor
42 shall be determined by annual appropriations, but no categorical proration factor shall exceed the
43 entitlement proration factor established pursuant to subsection 1 of this section, except that the
44 vocational education entitlement proration factor established pursuant to line 16 of subsection
45 6 of this section and the educational and screening program entitlements proration factor
46 established pursuant to line 17 of subsection 6 of this section may exceed the entitlement
47 proration factor established pursuant to subsection 1 of this section. The categorical add-on for
48 the district shall be the sum of: seventy-five percent of the costs of adopting and providing a
49 violence prevention program pursuant to section 161.650, RSMo, multiplied by the proration
50 factor; seventy-five percent of the district allowable transportation costs pursuant to section
51 163.161 multiplied by the proration factor; the special education approved or allowed cost
52 entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration
53 factor; seventy-five percent of the district gifted education approved or allowable cost
54 entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor;

55 the free and reduced lunch eligible pupil count for the district, as defined in section 163.011,
56 multiplied by twenty percent, for a district with an operating levy in excess of two dollars and
57 seventy-five cents per one hundred dollars assessed valuation, or twenty-two percent, otherwise
58 times the guaranteed tax base per eligible pupil times two dollars and seventy-five cents per one
59 hundred dollars assessed valuation times the proration factor plus the free and reduced lunch
60 eligible pupil count for the district, as defined in section 163.011, times thirty percent times the
61 guaranteed tax base per eligible pupil times the following quantity: ((the greater of zero or the
62 district's operating levy for school purposes minus two dollars and seventy-five cents per one
63 hundred dollars assessed valuation) times one or, beginning in the fifth year following the
64 effective date of this section, the quotient of the district's fiscal instructional ratio of efficiency
65 for the prior year divided by the fiscal year 1998 statewide average fiscal instructional ratio of
66 efficiency, if the district's prior year fiscal instructional ratio of efficiency is at least five percent
67 below the fiscal year 1998 statewide average) times the proration factor, minus court-ordered
68 state desegregation aid received by the district for operating purposes; the career ladder
69 entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo, multiplied by
70 the proration factor; the vocational education entitlement for the district, as provided for in
71 section 167.332, RSMo, multiplied by the proration factor and the district educational and
72 screening program entitlements as provided for in sections 178.691 to 178.699, RSMo, times the
73 proration factor.

74 4. Each district's apportionment shall be the prorated categorical add-ons plus the greater
75 of the district's prorated entitlement minus the total deductions for the district or zero.

76 5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section
77 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy
78 for school purposes to the extent necessary for the district to at least maintain the current
79 operating expenditures per pupil received by the district from all sources in the 1992-93 school
80 year, except that its operating levy for school purposes shall not exceed the highest tax rate in
81 effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section
82 163.021, whichever is less.

83 (2) The revenue per eligible pupil received by a district from the following sources: line
84 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line 14 of subsection 6 of
85 this section, shall not be less than the revenue per eligible pupil received by a district in the
86 1992-93 school year from the foundation formula entitlement payment amount plus the amount
87 of line 14 per eligible pupil that exceeds the line 14 per pupil amount from the 1997-98 school
88 year, or the revenue per eligible pupil received by a district in the 1992-93 school year from the
89 foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil
90 times the quotient of line 1 minus line 10, divided by the number of eligible pupils, or zero if line

91 1 minus line 10 is less than zero, divided by the revenue per eligible pupil received by the district
92 in the 1992-93 school year from the foundation formula entitlement payment amount, whichever
93 is greater. The department of elementary and secondary education shall make an addition in the
94 payment amount of line 19 of subsection 6 of this section to assure compliance with the
95 provisions contained in this section, **provided that, beginning in the 2004-05 school year no**
96 **district which levies, in the current year, an equalized, adjusted operating levy for school**
97 **purposes which is equal to or greater than two dollars and seventy-five cents per one**
98 **hundred dollars assessed valuation shall receive, in the current year as compared to the**
99 **2002-03 school year, less revenue per pupil pursuant to this subdivision than the revenue**
100 **the district received in the 2002-03 school year plus the cumulative change in the consumer**
101 **price index for all urban consumers for the United States, or its successor index, as defined**
102 **and officially recorded by the United States Department of Labor or its successor agency.**

103 (3) For any school district which meets the eligibility criteria for state aid as established
104 in section 163.021, but which under subsections 1 to 4 of this section, receives no state aid for
105 two successive school years, other than categorical add-ons, by August first following the second
106 such school year, the commissioner of education shall present a plan to the superintendent of the
107 school district for the waiver of rules and the duration of said waivers, in order to promote
108 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
109 of instructional services. The provisions of other law to the contrary notwithstanding, the plan
110 presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil
111 testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law
112 to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements
113 otherwise imposed on the school district related to the authority of the state board of education
114 to classify school districts pursuant to section 161.092, RSMo, and such other rules as
115 determined by the commissioner of education, except that such waivers shall not include the
116 provisions established pursuant to sections 160.514 and 160.518, RSMo.

117 (4) In the 1993-94 school year and each school year thereafter for two years, those
118 districts which are entitled to receive state aid under subsections 1 to 4 of this section, shall
119 receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94
120 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid
121 per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections
122 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the
123 district from all sources for the 1992-93 school year for which the district is entitled and which
124 are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the
125 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state
126 aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to

127 subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by
 128 the district from all sources for the 1992-93 school year for which the district is entitled and
 129 which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section.
 130 For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five
 131 percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96
 132 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total
 133 amount of state aid received by the district from all sources for the 1992-93 school year for
 134 which the district is entitled and which are distributed in the 1995-96 school year pursuant to
 135 subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the
 136 authority of a school district to raise its district operating levy pursuant to subdivision (1) of this
 137 subsection.

138 (5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of
 139 this subsection is less than the total of state aid apportionments calculated pursuant to
 140 subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding
 141 schools trust fund. If the total of state aid apportionments to all districts pursuant to subdivision
 142 (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to
 143 subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools
 144 trust fund to the state school moneys fund to the extent necessary to fund the district entitlements
 145 as modified by subdivision (4) of this subsection for that school year with a district entitlement
 146 proration factor no less than one and such transfer shall be given priority over all other uses for
 147 the outstanding schools trust fund as otherwise provided by law.

148 6. State aid shall be determined as follows:

149 District Entitlement

- 150 1(a). Number of eligible pupils x (lesser of district's equalized
 151 operating levy for school purposes or two dollars and
 152 seventy-five cents per one hundred dollars assessed valuation)
 153 x (proration x GTB per EP) \$.....
- 154 1(b). Number of eligible pupils x (greater of: 0, or district's equalized
 155 operating levy for school purposes minus two dollars and
 156 seventy-five cents per one hundred dollars assessed valuation)
 157 x (proration x GTB per EP) \$.....

158 Deductions

- 159 2. District equalized assessed valuation x district income factor
 160 x district's equalized operating levy for school purposes plus
 161 ninety percent of any payment received the current year of
 162 protested taxes due in prior years no earlier than the 1997 tax

163		year minus the amount of any protested taxes due in the current	
164		year and for which notice of protest was received during the	
165		current year	\$.....
166	3.	Intangible taxes, fines, forfeitures, escheats, payments in lieu of	
167		taxes, etc. (100% of the amount received the previous year for	
168		school purposes)	\$.....
169	4.	Receipts from state assessed railroad and utility tax (100% of the	
170		amount received the previous year for school purposes)	\$.....
171	5.	Receipts from federal properties pursuant to sections 12.070 and	
172		12.080, RSMo (100% of the amount received the previous year	
173		for school purposes)	\$.....
174	6.	(Federal impact aid received the previous year for school purposes	
175		pursuant to P.L. 81-874 less \$50,000) x 90% or the maximum	
176		percentage allowed by federal regulations if less than 90%	\$.....
177	7.	Fifty percent or the percentage otherwise provided in section	
178		163.087 of Proposition C receipts from the school district trust	
179		fund received the previous year for school purposes pursuant to	
180		section 163.087	\$.....
181	8.	One hundred percent of the amount received the previous year for	
182		school purposes from the fair share fund pursuant to section	
183		149.015, RSMo	\$.....
184	9.	One hundred percent of the amount received the previous year for	
185		school purposes from the free textbook fund pursuant to section	
186		148.360, RSMo	\$.....
187	10.	Total deductions (sum of lines 2-9)	\$.....
188		Categorical Add-ons	
189	11.	The amount distributed pursuant to section 163.161 x proration	\$.....
190	12.	Special education approved or allowed cost entitlement for the district	
191		pursuant to section 162.975, RSMo, x proration	\$.....
192	13.	Seventy-five percent of the gifted education approved or allowable cost	
193		entitlement as determined pursuant to section 162.975, RSMo,	
194		x proration	\$.....
195	14(a).	Free and reduced lunch eligible pupil count for the district, as defined	
196		in section 163.011, x .20, if operating levy in excess of \$2.75, or .22,	
197		otherwise x GTB per EP x \$2.75 per \$100 AV x proration	\$.....
198	14(b).	Free and reduced lunch eligible pupil count for the district, as defined	

199 in section 163.011 x .30 x GTB x ((the greater of zero or the
200 district's adjusted operating levy minus \$2.75 per \$100 AV)
201 x (1.0 or, beginning in the fifth year following the effective
202 date of this section, the district's FIRE for the prior year/statewide
203 average FIRE for FY 1998, if the district's prior year FIRE is at
204 least five percent below the FY 1998 statewide average FIRE)
205 x proration) - court-ordered state desegregation aid received by
206 the district for operating purposes \$.....

207 15. Career ladder entitlement for the district as provided for in sections
208 168.500 to 168.515, RSMo, x proration \$.....

209 16. Vocational education entitlements for the district as provided in
210 section 167.332, RSMo, x proration \$.....

211 17. Educational and screening program entitlements for the district as
212 provided in sections 178.691 to 178.699, RSMo, x proration \$.....

213 18. Sum of categorical add-ons for the district (sum of lines 11-17) \$.....

214 19. District apportionment (line 18 plus the greater of line 1 minus
215 line 10 or zero) \$.....

216 7. Revenue received for school purposes by each school district pursuant to this section
217 shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax
218 rate in the district for that fund to the total tax rate in the district for the two funds.

219 8. In addition to the penalty for line 14 described in subsection 6 of this section,
220 beginning in school year 2004-05, any increase in a school district's funds received pursuant to
221 line 14 of subsection 6 of this section over the 1997-98 school year shall be reduced by one
222 percent for each full percentage point the percentage of the district's pupils scoring at or above
223 five percent below the statewide average level on either mathematics or reading is less than
224 sixty-five percent.

225 9. If a school district's annual audit discloses that students were inappropriately identified
226 as eligible for free or reduced-price lunch and the district does not resolve the audit finding, the
227 department of elementary and secondary education shall require that the amount of line 14 aid
228 paid on the inappropriately identified pupils be repaid by the district in the next school year and
229 shall additionally impose a penalty of one hundred percent of the line 14 aid paid on such pupils,
230 which penalty shall also be paid within the next school year. Such amounts may be repaid by
231 the district through the withholding of the amount of state aid.

Section B. Because immediate action is necessary to provide an adjustment in state aid
2 for hold-harmless schools section A of this act is deemed necessary for the immediate
3 preservation of the public health, welfare, peace, and safety, and is hereby declared to be an

4 emergency act within the meaning of the constitution, and section A of this act shall be in full
5 force and effect on July 1, 2004, or upon its passage and approval, whichever later occurs.